ANNUAL REPORT \ 2020

ENVIRONMENTAL ACTIVITIES OF MTS'

In its activities, MTS strives to not only have a minimal impact on the environment, but also to reduce this impact. The Company is guided by applicable environmental legislation, as well as by the principles of responsible business conduct, and strives to improve the environmental culture of its employees and partners and to implement services based on advanced technologies.

The fundamental principles of the MTS Policy for Environmental Safety and Protection:

- compliance with the requirements of the natureconservation legislation of the Russian Federation;
- compliance with the requirements of national and international standards in the field of environmental protection;
- improved level of environmental awareness and education of all Company employees;
- implementation of environmental socially significant projects;
- openness and availability of environmental information;
- continuous improvement of MTS environmental management system;
- reduced level of negative impact on environment and aspiration for sustainability.

A unified approach is developed in MTS branches due to the introduction of a unified environmental management system, to ensure compliance and the performance of nature conservation legislation norms and requirements.

The principal achievements of 2020 in the field of environmental responsibility are as follows.

- MTS entered the TOP-7 Russian brands in terms of disclosure of information on climate change in the Carbon Disclosure Project (CDP) ranking, raising its scores to "management" (B) from last year's "awareness" (C).
- MTS became the winner of the ECObest Award 2020 with the project "Environment Day with MTS: Learn Your Ecological Footprint", winning the nomination "Contribution to the Development of Environmental Culture".
- MTS expanded the functionality of the Work Team on Environment and Responsible Funding within the Committee for Sustainable Development and CSR under the President of MTS PJSC by introducing a procedure for funding socially and environmentally significant projects.
- MTS structured the approaches in the field of managing its own impact on the climate and the issues of environmental responsibility by creating a functional Ecology team within the structure of the CSR Department.
- MTS digitized the outbound document flow process kept between the counterparties and the Company, which allowed for not only



speeding up the document flow and ensuring the 100 % safety of primary contracts, but also for reducing the cost of paper and consumables, as well as courier delivery services.

MANAGEMENT REPORT

- MTS arranged uninterrupted operation of power supply units, base stations and transport hubs in the Arkhangelsk Region with the help of a solar power plant, while a photo-wind plant enabling equipment to be powered by a combination of wind and solar energy was launched in Ryazan.
- MTS and the Russian Environmental Society launched a federal program for digitalization of collection and recycling of solid municipal waste in seven regions.
- MTS created a new solution, the "My Clean Region" Portal, meant for the administrations of regional and supervisory authorities to control the quality of waste management in the region.
- MTS launched the Place of Power federal comprehensive program in the field of ecology aimed at preserving natural heritage, developing

environmental education and supporting ecotourism using digital technologies in the national parks Kenozersky, Krasnoyarskie Stolby, Pleshcheyevo Ozero, Samarskaya Luka and other.

SUSTAINABLE DEVELOPMENT

- MTS held a series of webinars "Ecology and Health" dedicated to the delicate relationship and fragile balance of the environment and human immunity prepared with the expert support of specialists from the Clinical Immunology Laboratory of the FMBA of Russia.
- The Green Marathon of Sistema PJSFC Group companies was held with the digital support of MTS. More than 1.2 thousand participants improved their eco skills, while the companies competed for the title of the greenest and most responsible.
- MTS and the Fixiki animation project launched a joint environmental program.
- MTS and the Moscow Zoo launched a creative and educational program on ecology for schoolchildren.
- The MTS StartUp Hub corporate accelerator carried out a set of projects in the field of eco tourism and eco education for the first time.

\\ Volume of the energy resources used by MTS in 2020

| Resource type | In kind | | In monetary terms, RUB, w/o VATC |
|---------------------------------|------------------|------------------|-------------------------------------|
| | quantity | measurement unit | |
| Electric power | 1,825,672,357.00 | kWh | 9,704,113,640.00 |
| Heat power | 46,154.72 | Gcal | 79,066,870.11 |
| Water supply | 192,763.22 | cub. m | 9,768,375.40 |
| Gas supply | 1,233,853.97 | cub. m | 5,724,728.06 |
| Petrol | 3,051,170.91 | liters | 111,098,489.63 |
| Diesel fuel | 2,811,480.58 | liters | 111,451,360.20 |
| Liquid gas petroleum-propane | 45,224.93 | liters | 870,505.65 |